



ไทยโพลีคอนส์  
Thai Polycons

บริษัท ไทยโพลีคอนส์ จำกัด (มหาชน) โทร : 02-942-6491-6, 02-943-2930-8

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February 24<sup>th</sup>, 2023

Subject Management Discussion and Analysis for the financial result of year 2022, ended  
December 31, 2022

Attention President  
The Stock Exchange of Thailand

Please be informed that Thai Polycons Public Company Limited (TPOLY) would like to report the company's performance of year 2022, ended December 31<sup>st</sup>, 2022 of which details are summarized as follows:

## Significant Events in Yr.2022

### ● New Construction Projects

- On March 8<sup>th</sup>, 2022, the company informed to the SET that the company has been awarded for a new construction project “Wantanapat Samui Hospital”, contract value THB 200 million (including VAT)
- On March 23<sup>th</sup>, 2022, the company informed to the SET that the company has been awarded for a new construction project “Provision of Raw Water for Production Sector in Rayong Area”, contract value THB 1,251.69 million (including VAT)
- On July 12<sup>th</sup>, 2022 the company informed to the SET that the company has been awarded for a new construction project “Bangkok Hospital Pluak Daeng”, contract value THB 682.79 million (including VAT)
- On October 26<sup>th</sup>, 2022, the company informed to the SET that the contract of construction project “Provision of Raw Water for Production Sector in Rayong Area” has been terminated because of the volatility of construction material price which affected to the total cost of construction.

### ● Issuance of corporate debentures

- On February 18<sup>th</sup>, 2022, the Company received money from the offering of long-term debentures No. 1/2022 at a full value of 530.50 million baht; with a term of 2 years and 6 months, maturity in 2024, interest rate 4.50% per annum, interest payment every 3 months throughout the debenture term. The objectives of the debenture are reserving for working capital, repaying for the short term loan and investing to the new potential projects.
- On August 11<sup>th</sup>, 2022, the Company received money from the offering of long-term debentures No. 2/2022 at a full value of 360 million baht; with a term of 2 years and 7 months, maturity in 2025, interest rate 5.25% per annum, interest payment every 3 months throughout the debenture term. The objectives of the debenture are reserving for working capital, repaying for the short term loan and investing to the new potential projects.

- Tris Rating

➤ On October 28<sup>th</sup>, 2022 Tris Rating affirms the company rating at BBB-, with a “stable” outlook.

### Financial Performance of Year 2022 : Consolidated Financial Statement

Consolidated Financial Statement Unit : MB.	Q4/22	Q4/21	Change YoY		2022	2021	Change YoY	
			Amount	%			Amount	%
Revenues from construction services	651.44	461.58	189.86	41.13%	2,346.05	1,850.99	495.06	26.75%
Revenues from sales of electricity	688.05	600.03	88.02	14.67%	2,647.71	2,470.40	177.31	7.18%
Revenues from sales of real estate	0.00	4.93	(4.93)	100.00%	11.14	19.60	(8.46)	100.00%
Revenues from sales and services	10.84	2.74	8.10	295.96%	23.69	3.12	20.58	659.93%
<b>Total revenues</b>	<b>1,350.33</b>	<b>1,069.28</b>	<b>281.06</b>	<b>26.28%</b>	<b>5,028.60</b>	<b>4,344.11</b>	<b>684.49</b>	<b>15.76%</b>
Cost of construction services	(685.76)	(507.41)	178.35	35.15%	(2,458.66)	(2,020.06)	438.59	21.71%
Cost of sales of electricity	(522.05)	(489.31)	32.74	6.69%	(2,054.48)	(1,873.03)	181.45	9.69%
Cost of sales of real estate	(0.59)	(2.48)	(1.89)	100.00%	(7.38)	(10.42)	(3.04)	100.00%
Cost of sales and services	(8.87)	(2.36)	6.51	276.19%	(19.01)	(2.56)	16.44	641.50%
<b>Total cost</b>	<b>(1,217.26)</b>	<b>(1,001.56)</b>	<b>215.71</b>	<b>(21.54%)</b>	<b>(4,539.52)</b>	<b>(3,906.07)</b>	<b>633.45</b>	<b>(16.22%)</b>
<b>Gross profit (loss)</b>	<b>133.07</b>	<b>67.72</b>	<b>65.35</b>	<b>96.50%</b>	<b>489.08</b>	<b>438.03</b>	<b>51.04</b>	<b>11.65%</b>
Other income	4.13	5.86	(1.73)	(29.54%)	225.32	16.67	208.65	1,251.68%
<b>Profit (loss) before expenses</b>	<b>137.20</b>	<b>73.58</b>	<b>63.62</b>	<b>86.47%</b>	<b>714.39</b>	<b>454.70</b>	<b>259.69</b>	<b>57.11%</b>
Distribution cost	(0.21)	(0.45)	(0.24)	53.68%	(2.26)	(2.04)	0.23	11.22%
Administrative expenses	(91.49)	(82.20)	9.29	11.30%	(357.26)	(341.74)	15.51	4.54%
Reversal / (Allowance for expected credit loss)	(43.35)	(22.80)	20.54	90.09%	(59.95)	(26.44)	33.52	126.77%
<b>Profit (loss) from operating activities</b>	<b>2.16</b>	<b>(31.87)</b>	<b>34.03</b>	<b>106.77%</b>	<b>294.92</b>	<b>84.48</b>	<b>210.44</b>	<b>(249.09%)</b>
Finance revenue	8.73	2.71	6.02	221.99%	29.04	5.97	23.07	386.46%
Finance cost	(72.01)	(60.68)	11.32	18.66%	(265.08)	(185.72)	79.36	42.73%
Profit sharing from investments in joint ventures	4.17	(6.21)	10.38	(167.07%)	(18.65)	(0.93)	(17.73)	1,910.48%
<b>Profit (loss) before income tax</b>	<b>(56.95)</b>	<b>(96.06)</b>	<b>39.11</b>	<b>40.72%</b>	<b>40.23</b>	<b>(96.19)</b>	<b>136.42</b>	<b>141.83%</b>
Income tax (expenses) revenue	(5.05)	(16.88)	(11.83)	70.11%	(8.52)	12.21	20.73	169.82%
<b>Profit (loss) for the period</b>	<b>(61.99)</b>	<b>(112.94)</b>	<b>50.94</b>	<b>45.11%</b>	<b>31.71</b>	<b>(83.98)</b>	<b>115.69</b>	<b>137.76%</b>
<b>Profit (Loss) attributable to:</b>								
<b>Owners of the Company</b>	<b>(109.18)</b>	<b>(135.58)</b>	<b>26.39</b>	<b>19.5%</b>	<b>(185.72)</b>	<b>(314.94)</b>	<b>129.22</b>	<b>41.03%</b>
Non-controlling interests	47.19	22.64	24.55	(108.5%)	217.43	230.96	(13.53)	5.86%
Profit (loss) for the period	(61.99)	(112.94)	50.94	45.1%	31.71	(83.98)	115.69	137.76%

In 2022, the company had a total loss attributable to the owners of THB 185.72 million, the loss decreased by THB 129.22 million or 41.03% compared to 2021. The mainly reasons for the mention results are as follows:

- **Revenue**

The company had a total revenue of THB 5,028.60 million, increased by THB 684.49 million or 15.76% compared to 2021. The major revenues were derived from:

- Construction Services: The revenue from construction services was THB 2,346.05 million, increased by THB 495.06 million or 26.75% compare to 2021 because the covid-19 situation was unfolded, the company was able to deliver construction progress as usual.
- Electricity: The revenue from electricity was THB 2,647.71 million, increased by THB 177.31 million or 7.18% compare to 2021, mainly due to Pattani Green plant (PTG) generated more electricity. The TPCH1, TPCH2 and TPCH5 plants were able to operate more than last year and the Maewong Energy plant (MWE) was able to resume operation after the generator failure last year.

- **Cost**

The company had a total cost of THB 4,539.52 million, increased by THB 633.45 million or 16.22% compare to 2021. The major costs were comprised of:

- Construction Services: The cost of construction services was THB 2,458.66 million, increased by THB 438.59 million or 21.71% compare to 2021 and was higher than this year revenue of THB 112.61 million, mainly because of the increasing of major material price.
- Electricity: The cost of electricity services was THB 2,054.48 million, increased by THB 181.45 million or 9.69%. The costs consisted of operation management fee, fuel costs, electricity costs, insurance premiums, ash handling costs and equipment costs in order to strengthen the powers' performance.

- **Other Revenue**

The company recognized other revenue THB 225.32 million, increased by THB 208.65 million or 1,251.68 % compared to 2021, mainly due to late delivery fines that charged to constructors of power plant projects in three Southern Border Provinces and the

compensation for business and machine interruption from the insurance claiming of the Chang Rak Biopower plant and Maewong Energy plant.

- **Administrative expenses**

The company had a total of administrative expenses of THB 357.26 million, increased by THB 15.51 million or 4.54% compared to 2021. Most of this expenses were employee's salaries and benefits, utilities which were necessary to run the business.

- **Finance Revenue**

The company had THB 29.04 million, increased by THB 23.07 million or 386.46% compared to 2021 due to the short term loan increased for subsidiaries.

- **Finance Cost**

The company had finance cost of THB 265.08 million, increased by THB 79.36 million or 42.73% compared to 2021. This result was mainly from the increasing of loan facilities, especially corporate debentures, in both construction and electricity services. All of them were used as working capital, short term loan repayment and business expansion investment. The 2 times debenture were issued by construction business, THB 530.5 million on February 18<sup>th</sup> 2022 and THB 360 million on August 11<sup>th</sup> 2022 respectively, and the THB 1,500 million was issued by electricity business on September 30<sup>th</sup> 2021.

- **Profit (Loss) from investment in joint ventures**

The company recognized loss from investment in joint ventures THB 18.65 million, the loss increased by THB 17.73 million or 1,910.48%. Most of this item were from waste-to-energy power plant which has been under fine-tuning process after starting commercial operation and could not run with full capacity. It resulted in insufficient revenue to cover necessary fixed expenses.

- **Profit (Loss) for the period attributable to owners of the company**

As a result of the foregoing, in 2022, the company had total profit THB 31.71 million, increased by THB 115.69 million or 137.76% compared to 2021. However, the company's loss for the period attributable to owners was THB 185.72 million, the loss decreased by THB 129.22 million or 41.03% compare to 2021

## Situation Outlook in 2023

For the core business, the construction service, still has a high level of competition which affects to the lower bidding price. The main material price, although it has slightly decreased in 2022 and 2023, stills be higher than in 2021. It is expected that the gross profit of construction service stills in the low level rate. Therefore, the company strongly concentrates on liquidity and cost management in order to minimize that risks as much as possible.

Yours Faithfully

(Mr.Pathompol Saosap)

President and Chief Executives Officer  
Thai Polycons Public Company Limited